

Thailand Economics

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News Update

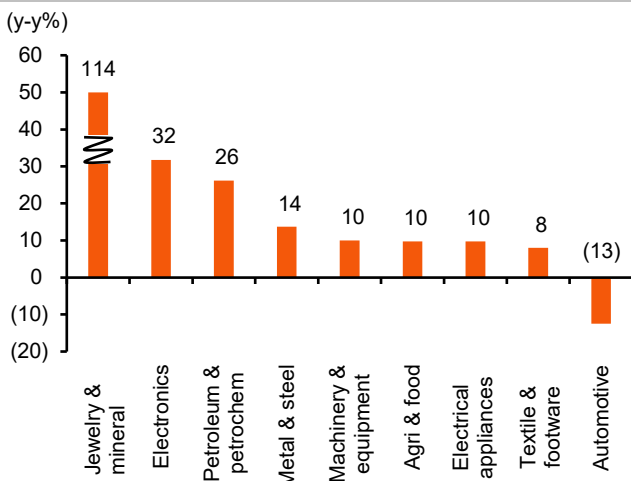
Strongest export growth in Jul-24

- **Customs-based exports grew 15% y-y in Jul-24**
- **That was the strongest growth so far this year**
- **All key categories grew except for auto**
- **7M24 grew 4% y-y vs. our 2024F forecast of 1%**

Exports have been more resilient than expected amid global slowdown risk. The customs-based figure showed a 15% y-y growth in Jul-24 and that Jul-23 wasn't a low base. July showed the strongest growth so far this year. 7M24 exports grew 4% y-y, implying an upside risk to our 1% forecast for 2024F.

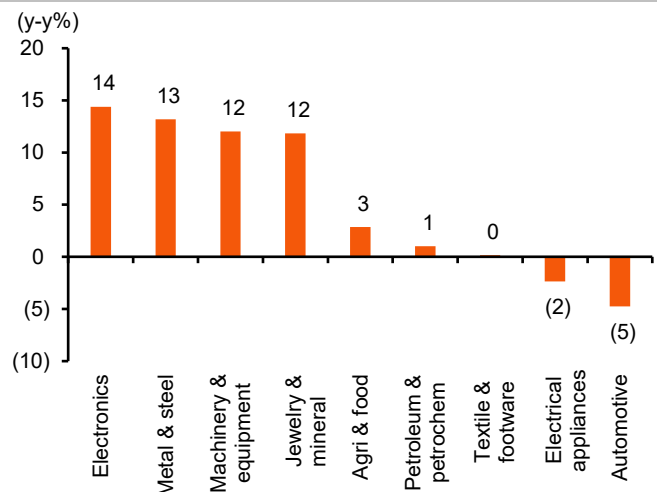
- The growth was healthy nearly across all key sectors with only the auto sector seeing a contraction. Please see Exhibit 1.
- Jewelry & minerals (7% of total exports) showed the strongest growth of 114% y-y in July 2024. Of the more important sectors, electronics (18% of exports) grew the strongest at 32% y-y, followed by petroleum & petrochem (12% of exports) at 26% y-y. We however are not excited about the growth of the petroleum & petrochem sector as July last year was at a low base. Both agri & food (22% of exports) and electrical appliance (10% of exports) grew 10% y-y in July 2024. A lot of smaller sectors (10% of exports) also grew 10% y-y. The only key contracting sector was auto (12% of exports) which contracted 12% y-y.
- Looking at a bigger picture of 7M24 growth figures, Thai exports grew 4% y-y. Most sectors showed some growth except for auto (-5% y-y) and electrical appliance (-2% y-y). Electronics was the strongest driver at 14% y-y growth, followed by metal & steel, machinery & equipment, and jewelry & minerals at 12-13% y-y growth each.
- Given that 7M24 growth was already in a positive number of 4%, Thai exports now have good cushion that a full-year figure shouldn't go into a contraction mode despite the risk of a global slowdown going to the end of the year.
- Pet food export was up 39% y-y to a historical high in July 2024. Assuming a flat m-m growth for the rest of the year, pet food would grow 29% y-y in 3Q24 and 22% y-y in 4Q24. This is a good implication for continued earnings growth for ITC.

Ex 1: Export Growth In July 2024



Source: Ministry of Commerce

Ex 2: Export Growth In 7M24



Source: Ministry of Commerce

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